General Questions

1. I attended the webinar last week and am wondering where on the IFA website can I access the grant application?

If you are interested in submitting a HOME application for the 2014 round, please go to this link: 2014 HOME Program. Under the "Online Applications" section, click on the type of application you would like to submit. From that screen, you can click to request a HOME account, or enter your existing user name & password.

2. Will the agency audits be sufficient for H-34 and H-35 exhibits which is the 3 year balance sheets and the 3 years profit and loss statements?

An agency audit could satisfy these requirements if the audits were performed by a CPA and include a balance sheet and income statement.

3. Is an outside audit required if we have are awarded and expend more than $500K federal funds in a year?

For Local Governments and Non-Profit Organizations, an audit must be submitted for each fiscal year that the recipient expends $500,000 or more in federal funds, part of which must be HOME funds.

For For-Profit Organizations, a Federal Funds Expended ($500,000 or more) Form found on IFA's website must be submitted for each fiscal year that the recipient expends $500,000 or more in federal funds, part of which must be HOME funds. If the recipient submits this form for any fiscal year, a project-specific financial statement or audit must be submitted when the project is placed-in-service or when the IRS Form 8609 (for tax credit projects with HOME) has been issued.

4. It appears as if the field for the last line in the budget section, this one: TOTAL PROJECT COSTS (Funding Sources plus Match Not a Funding Source)…is a dead field and does not autofill. Can you please advise on how we should provide this information?

You must first fill out the "Funding Sources and Match Tab" before this field will be filled in.

Homebuyer

1. What line item are the homeownership counseling costs supposed to go into?

Counseling will be paid in the technical services portion of the budget if the person who received counseling actually receives HOME funds. If the person drops out prior to getting HOME funds after counseling then the general administration budget must cover the cost.

2. Does the counseling agency that will be providing homebuyer education need to be HUD certified?

IFA requires the counseling services be provided by a HUD certified counseling agency. Effective August 23, 2013, any homebuyer that enters into a written agreement for HOME assistance (i.e., downpayment or closing cost assistance) or enters into a sales contract for the purchase of a HOME-assisted unit must receive housing counseling. IFA is required to ensure the counselors are qualified and to do that we are requiring they be HUD certified. A list of certified HUD counselors is provided here.

Rental

1. The owner identifies several expenses that don't seem to be on the projected operating costs – including: depreciation and security deposits – should I include these and if so, just put them in other?

Neither depreciation or security deposits are considered operating costs and are not allowed to be included in the project operating costs budget.

2. In view of our specific project, which is 100% already occupied, do we need to do the "rent-up" reserve?

The application has been changed to include an "Initial Operating Reserve" and yes you will need to meet the minimum initial operating reserve requirement regardless of current occupancy.

3. For our duplex project – there are existing 1-pad concrete parking per each unit. The property owner wants to increase that to 2-pad per unit (Not sure if this is due to city ordinance, but it's likely that it is). The IFA Scope of work cites "common area…re-surfacing or re-paving". So, can we: (1) add new paving and (2) do new paving in non-"common" areas (there are no common parking areas).

HOME funds are to be used to provide safe, sanitary, decent housing. If necessary almost anything to improve the site may be eligible. All costs would have to be approved by IFA to be eligible for reimbursement. If construction elements are not contained within the walls of a unit, it is often considered being located in a common area.

4. I was looking for a timeline of release of funds for the HOME rental funds, but couldn't find one. I'm working on my project timetable and am wondering if we will be able to start rehab during 2014 or if 2015 is more likely.

The timeline should be based on clearance of environmental review and other due diligence. New construction projects would require an environmental assessment which would take from 60 to 120 days.
Rehab would require an environmental checklist which would take from 60 to 90 days. Awards are scheduled to be made in April of 2014.

5. Under the section regarding project team. When I put in the owner, then it appears I should mark 'yes' for conflict of interest correct?

Not necessarily. IFA is looking for instances where the seller of the property has some business or familial relationship with the purchaser. IFA is trying to establish that due diligence has been performed when establishing the purchase price or the cost of construction. There may also be an identity of interest or common ownership between the owner of the property and the management company or the construction contractor. IFA wants a full picture of all the players involved in the project and their relationships.

6. To show capacity, is it required that the applicant has completed other rental development projects? If the applicant has not completed rental development projects, will this disqualify the applicant from receiving an award? Or can the applicant show capacity by previous homeownership development projects and consult with an organization that has direct rental experience?

The applicant must demonstrate to IFA that the organization has the capacity (staff, experience, expertise) to complete a rental project which includes construction or rehab, lease up, and long-term compliance with the HOME program. It is up to the applicant to provide documentation to IFA regarding the applicant's capacity.

7. What can the reserve be used for?

Operating Reserve can be used for a shortfall that occurs during the operation of the rental property. Your contract, if awarded, will spell out how much can be spent annually with IFA's approval. Replacement Reserve can be used for repairs and upgrades on the units themselves. Again your contract with IFA, if awarded, will spell out how much can be spent annually with IFA's approval.

8. If any reserve funds are left in the account at the end of the 10-year affordability period (or is it the 20 or 30-year amortization period?) what do you do with them?

Reserve funds will be kept until the end of the loan period. At the end of the period if there are any funds left, which generally is unlikely, IFA will more than likely release the funds to the owner of the property.

9. If we do 30 units will Davis Bacon be required?

Yes more than likely. If the project requires 12 or more HOME-assisted units, Davis-Bacon will apply. A qualified administrator with Davis-Bacon experience will be a required project team member.

10. For the loan amount – typically they wouldn't have to pay back the amount used for administration? So, I was attempting to put in $910,000 of IFA HOME loan, and the $90,000 as IFA HOME grant, however it didn't give me that option. Would the landlord have to repay administrative dollars?

There are no administrative funds awarded in a rental project. IFA contracts with the owner of the units and the owner may contract with a consultant to assist the owner in complying with the HOME regulations. These costs are normally included in the budget as consultant fees.

11. Is there any information you can get us so we know more about the repayment (schedule, how calculated, etc)?

IFA will require some payback of the loan. This is no longer strictly a grant program. The amortization schedule will be calculated and subject to negotiation between the owner of the property and IFA, if the project receives an award.

TBRA

1. Could you please provide examples of TBRA administrative plans from other housing authorities?

The Administrative Plan would only need to be submitted if your agency receives an award. The Administrative Plan describes how you will administer your TBRA program. The plan will include how clients will be selected, advertisement of the program, what are your procedures for verifying income, unit inspection requirements, service area, etc. Please also check out the IFA website under HOME and look at the TBRA management guide.

2. Is there a suggested amount range bidders should target when designing budget proposals? Is there a suggested amount per family or individual?

There is no recommended range for costs per family unit as the expenses per client will vary significantly depending on the income level targeted. The maximum amount that the HOME TBRA may pay to assist any given household is the difference between 30 percent of the household's adjusted monthly income and a reasonable rent, as determined by the Subrecipient.

3. With regards to the soft cost allowance of eight percent – can you offer some best practices for how to verify costs?

It is required that the income verification be conducted by the applicant's staff. Staff time multiplied by hourly rate should be used. Property inspections are allowed to be procured from another provider. A provider should be able to provide you with inspection estimates. Any cost overruns over the 8% for soft costs and any soft costs not associated with an assisted household (actually receives HOME funds) may only be reimbursed from the administration portion of the budget.

IFA will only approve draws of funds on a reimbursement basis.

4. With regards to documenting that decent, safe, and sanitary rental units exist in our area – can you offer best practices for how to document?

The local Housing Authority should have an idea about the availability of rental units that meet these requirements.

5. Clarification on HUD2880 Part I Threshold Determinations. For those applying for TBRA. It asks "Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants." Is the TBRA program considered a specific project or activity, or formula grant? Yes or No?

TBRA is considered a specific project or activity.

6. Do PHA's add to their current Admin Plan or develop a separate Admin Plan for the TBRA program?

Yes a PHA must develop a separate Admin Plan. If awarded, HOME TBRA funds will be a distinct program and separate from other programs you administer.

7. Is there a suggested range for the total budget request?

No, please request what you expect to spend on your specific clients and activities funded.

8. I understand that a TBRA voucher is portable. However, is it only portable within our service area?

Yes. Your application will designate in what areas your program is available.

9. What is required in the TBRA Self-Sufficiency plan? Can we mirror the HA's Housing Choice Voucher (HCV) Family Self Sufficiency (FSS) Plan but make it applicable for 2 years (instead of the HCV's FSS program's required 5 years)? Where can we find the guidelines for the TBRA Self-Sufficiency plan?

A self-sufficiency plan is not a mandatory component for a successful award. There are no additional points for providing one. IFA would review the plan submitted and notify the applicant of any deficiencies.

10. Question regarding the timeline for the TBRA funds. The application asks when 25%, 50%, 75%, and 100% of units will be assisted. In order to answer this, do you want to know when we anticipate the number of households we expect to serve will be helped, or when the funds will be fully expended?

Enter the date that you expect the corresponding percentage of program funds will be expended. These benchmarks will be utilized by the project manager for monitoring performance of the project, your response to this question should be a realistic expectation for your program.